

LaPorte County Auditor
Craig Hinchman
555 Michigan Avenue, Suite 205
LaPorte, IN 46350-3490

September 14, 2009

I want to inform you how the DLGF is hurting the people of LaPorte County. For example, the Chief Financial Officer of the Michigan City Area Schools is showing that their school system will be short approximately eight million dollars. Many other taxing units in LaPorte County will also have a short fall. As Auditor of LaPorte County, I certified values for the year 2006 pay 2007 using the values from 2005 pay 2006. When doing this, the DLGF stated that we had to use the EXACT figures the previous Auditor used. We complied with this order. Then the DLGF CHANGED those numbers that I certified in twenty two cross county taxing units. Their change has caused a major short fall for LaPorte County. I still question how the DLGF has the authority to do this. I have dealt with the DLGF for only seven and a half months but have found that they have not helped us solve our problems only hinder us moving forward. As I have told the Commissioner, all we want is to move forward and get LaPorte County back on schedule since this is the best for the County and State.

The DLGF is trying to blame LaPorte County for our tax problem but doesn't admit that they share a big part of this blame. We need their co-operation, not their blame.

We need your help in convincing the DLGF to use the figures certified by my office so the taxing units won't have the short fall predicted. Once we have an actual reassessment; hopefully our problems will be solved and put behind us.

Sincerely

Craig Hinchman
LaPorte County Auditor

Michigan City Area Schools

LaPorte County Pay 2007 Budget Levy Certification

Actual DLGF					DLGF Certified Rate
	Funds	Certified Budget	Certified AV	Certified Levy	
0060	Pre-School Special Ed.	\$ 345,421	\$ 3,013,880,180	\$ 45,208	0.0015
0101	General	\$ 48,134,770	\$ 3,013,880,180	\$ 15,554,636	0.5161
0180	Debt Service	\$ 7,109,114	\$ 3,013,880,180	\$ 5,364,707	0.1780
0186	School Pension Debt	\$ 1,013,656	\$ 3,013,880,180	\$ 849,914	0.0282
1214	Capital Projects	\$ 6,523,781	\$ 3,013,880,180	\$ 5,253,193	0.1743
6301	Transportation	\$ 3,847,245	\$ 3,013,880,180	\$ 3,125,394	0.1037
6302	Bus Replacement	\$ 547,387	\$ 3,013,880,180	\$ 446,054	0.0148
		<u>\$ 67,521,374</u>		<u>\$ 30,639,106</u>	

Proposal County Auditor					New Certified Rate
	Funds	Certified Budget	Certified AV	Certified Levy	
0060	Pre-School Special Ed.	\$ 345,421	\$ 2,202,082,100	\$ 45,208	0.0021
0101	General	\$ 48,134,770	\$ 2,202,082,100	\$ 15,554,636	0.7064
0180	Debt Service	\$ 7,109,114	\$ 2,202,082,100	\$ 5,364,707	0.2436
0186	School Pension Debt	\$ 1,013,656	\$ 2,202,082,100	\$ 849,914	0.0386
1214	Capital Projects	\$ 6,523,781	\$ 2,202,082,100	\$ 5,253,193	0.2386
6301	Transportation	\$ 3,847,245	\$ 2,202,082,100	\$ 3,125,394	0.1419
6302	Bus Replacement	\$ 547,387	\$ 2,202,082,100	\$ 446,054	0.0203
		<u>\$ 67,521,374</u>		<u>\$ 30,639,106</u>	

Difference					DLGF Certified Rate
	Funds	Certified Budget	Certified AV	Certified Levy	
0060	Pre-School Special Ed.	\$ 333,244	\$ 2,202,082,100	\$ 33,031	0.0015
0101	General	\$ 43,945,080	\$ 2,202,082,100	\$ 11,364,946	0.5161
0180	Debt Service	\$ 5,664,113	\$ 2,202,082,100	\$ 3,919,706	0.1780
0186	School Pension Debt	\$ 784,729	\$ 2,202,082,100	\$ 620,987	0.0282
1214	Capital Projects	\$ 5,108,817	\$ 2,202,082,100	\$ 3,838,229	0.1743
6301	Transportation	\$ 3,005,410	\$ 2,202,082,100	\$ 2,283,559	0.1037
6302	Bus Replacement	\$ 427,241	\$ 2,202,082,100	\$ 325,908	0.0148
		<u>\$ 59,268,635</u>		<u>\$ 22,386,367</u>	

Change	\$ (8,252,739)	\$ (8,252,739)	-26.9%
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REASSESSMENT CERTIFICATION

In an effort to keep everyone informed, I am announcing that I have decided to certify the assessed valuations for tax year 05 payable 06. For the last 8 hours we have been running and comparing the assessments from 05 pay 06 to 06 pay 07 in order to make an informed decision. I have weighed both sides of this and feel that this is the correct decision based on the information I have. This also goes along with the input received from people I feel to be more qualified than myself to make a decision of this magnitude. The enclosed form shows in Box K the certified and billed assessed value of 91,836,522.01. Box S shows certified and billed 2005 assessed value of 744,494,305.95. Commissioner Rushenberg said he would use a 25% trending multiplier to the 2005 gross assessed value. We have taken the totaled assessed value billed for 2005 and applied the additional 25% factor which would give us an assessed value of 93,117,882.44. This would be an additional assessed value of 1,281,360.43 county wide with each township changing respectively.

Tim Berry, Auditor for the State of Indiana, was in my office yesterday. His opinion was to certify the 2005 pay 2006 assessed values with the additional factor applied. He feels we should be consistent with other counties such as St. Joseph, Porter and Marshall where the DLGF has also chosen to use this year.

Craig Hinchman
La Porte County Auditor

EXHIBIT B

billed 06

	K	L	M	N	O	P	Q	R	S
63112	630.18	36600.	0	0	36600	859.12	-243.48	0.00	615.64
63113	495.88	28800.	0	0	28800	676.02	-191.58	0.00	484.44
63114	144.64	8400	0	0	8400	197.18	-55.88	0.00	141.30
63115	225.56	13100	0	0	13100	307.50	-87.14	0.00	220.36
63116	607.80	35300	0	0	35300	828.60	-234.82	0.00	593.78
63117	1198.36	69600	0	0	69600	1633.72	-463.00	0.00	1170.72
63118	3192.98	69700	166000	35000	200700	4711.04	-1335.12	-371.34	3004.58
63119									
63120	91836522.01				4084555930				74494305.95
63121									
63122									
63123							25 % of 05 net tax		18623576.49
63124							total of 05 * .25		93117882.44
63125									
63126							total 05 * .25 - 06 original 06		1281360.43

billed 05

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

VIA USPS AND E-MAIL

June 11, 2009

The Honorable Craig Hinchman
LaPorte County Auditor
813 Lincolnway, Suite 203
La Porte, IN 46350
chinchman@laportecounty.org

Re: LaPorte County "Reassessment Certification"

Dear Mr. Hinchman:

Today LaPorte County's former assessment vendor forwarded me a document prepared by you titled "Reassessment Certification," a copy of which is attached hereto as **Exhibit A**. In that document, you state: "Commissioner Rushenberg said he would use a 25% trending multiplier to the 2005 gross assessed value."

After receiving this document, I called you to ask about that statement and why it was being attributed to me. As I told you during our conversation, I have never said or even considered such a thing. Nor am I aware of any Department employee or representative making such a statement. Let me be clear: that statement is absolutely, unequivocally false.

You suggested that I made this statement at the June 1, 2009 hearing on the Department's proposed annual adjustment factors. You then said that you didn't actually hear me make this statement but that Commissioner Ken Layton reported it to you.

As I stated to you today, the Department will use the values you certify and nothing more; it will not apply any trending factor whatsoever to the values you submit.

Very Respectfully,

Timothy J. Rushenberg, Commissioner
Department of Local Government Finance

EXHIBIT C

cc: The Honorable Mike Bohacek (via e-mail only: MBohacek@laportecounty.org)
The Honorable Barbara Huston (via e-mail only: BHUSTON@laportecounty.org)
The Honorable Ken Layton (via e-mail only: klayton@laportecounty.org)
The Honorable Carol McDaniel (via e-mail only: clmcDaniel@laportecounty.org)

REASSESSMENT CERTIFICATION

In an effort to keep everyone informed, I am announcing that I have decided to certify the assessed valuations for tax year 05 payable 06. For the last 8 hours we have been running and comparing the assessments from 05 pay 06 to 06 pay 07 in order to make an informed decision. I have weighed both sides of this and feel that this is the correct decision based on the information I have. This also goes along with the input received from people I feel to be more qualified than myself to make a decision of this magnitude. The enclosed form shows in Box K the certified and billed assessed value of 91,836,522.01. Box S shows certified and billed 2005 assessed value of 744,494,305.95. Commissioner Rushenberg said he would use a 25% trending multiplier to the 2005 gross assessed value. We have taken the totaled assessed value billed for 2005 and applied the additional 25% factor which would give us an assessed value of 93,117,882.44. This would be an additional assessed value of 1,281,360.43 county wide with each township changing respectively.

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Craig Hinchman
La Porte County Auditor

EXHIBIT A

killed 85

	K	L	M	N	O	P	Q	R	S
63112	630.18	36600.	0	0	36600	859.12	-243.48	0.00	615.64
63113	495.88	28800	0	0	28800	676.02	-191.58	0.00	484.44
63114	144.64	8400	0	0	8400	197.18	-55.88	0.00	141.30
63115	225.56	13100	0	0	13100	307.50	-87.14	0.00	220.36
63116	607.80	33300	0	0	35300	828.60	-234.82	0.00	593.78
63117	1198.36	69600	0	0	69600	1633.72	-463.00	0.00	1170.72
63118	3192.98	69700	166000	35000	200700	4711.04	-1335.12	-371.34	3004.58
63119									
63120	91836522.01								
63121					4084555930				74494305.95
63122									
63123								25 % of OS net tax	18623576.49
63124								total of OS * .25	93117882.44
63125									
63126								total OS * .25 - OS original OS	1281360.43

BRAJE, NELSON & JANES, LLP

Attorneys at Law

CRAIG V. BRAJE
WILLIAM J. NELSON, JR.
WILLIAM JANES
KURT R. EARNST
ELIZABETH A. FLYNN
CHRISTOPHER L. WILLOUGHBY
DAVID K. PAYNE

126 E. FIFTH STREET
P.O. BOX 1006
MICHIGAN CITY, IN 46361-8206
OFFICE (219) 872-2100
LA PORTE TELEPHONE (219) 369-0100
FAX (219) 873-9163
WEB SITE: braje-nelson.com

C. T. KITOWSKI
(1925-2005)
Paralegals
PATTI L. PISHKUR
LYNN A. OWENS

July 16, 2009

Mr. Timothy J. Rushenberg, Commissioner
Department of Local Government Finance
IGCN
100 North Senate Avenue
Indianapolis, IN 46204

**VIA E-MAIL
and US MAIL**

RE: Certification of Assessed Valuations 2005-pay- 2006

Dear Mr. Rushenberg:

Thank you for your correspondence dated June 15, 2009. After having an opportunity to review and reflect upon it, I am really quite disappointed and confused myself. Accordingly, I want to address the statements made in your correspondence.

Specifically, it is simply inaccurate for you to claim that your office was never notified of the timing of work that needs to be done by Mr. Hinchman's office and/or Manatron before any certification can take place given that Carol Johns, Assistant Director of Assessments for your office, attended the workshop held in early June, 2009, at which this anticipated timing was discussed in detail. Any references to a certification being completed in "a matter of days" was more likely a reference to Mr. Hinchman's intention to make a decision on which assessed valuations would be used in the certification process, which should have been clear when one considers that a significant amount of additional time would have been required to certify the 2006-pay-2007 valuations as well. To the extent there was any confusion, I now hope the record is clear on this issue.

Next, you made several references to "a threat from a certain taxpayer to sue Auditor Hinchman if he certified the 2006 pay 2007 values." As you know, the personal threats to Mr. Hinchman were initially a concern of his, and he sought advice from not only this office but your office as well. Ultimately, I am really not sure of your point regarding the threats of a lawsuit being omitted from my correspondence because your staff and you were already aware of them. In fact, our respective offices advised Mr. Hinchman that he has no personal liability regarding any threat of litigation from this "certain taxpayer."

EXHIBIT D

BRAJE, NELSON & JANES, LLP
Attorneys at Law

Mr. Timothy J. Rushenberg, Commissioner
Department of Local Government Finance
July 16, 2009
Page -2-

Regarding the perceived "neglect" you mention in not identifying the sources of Mr. Hinchman's "information, knowledge, and belief", again, I am not sure of your point. The sources are all the same sources your staff and you were and are aware of, which include, the "stakeholders" that attended the June, 2009, workshop. I chose to err on the side of summarizing Mr. Hinchman's thought process, as requested, rather than continue to rehash that which has been communicated several times. A similar response is appropriate to your comments about details regarding "why his beliefs justify his refusal to certify values."

As for your discussion of Mr. Hinchman's thoughts regarding your office applying a twenty-five percent (25%) trending factor to the 2005-pay-2006 valuations, I believe this discussion is a moot point. To the extent you feel there needs to be some clarification, I am not aware that anyone ever stated or otherwise insinuated that your office agreed to apply such a factor. What is clear is that your office communicated that it would and/or could not take such an action in response to Mr. Hinchman's attempt to propose a solution to outstanding issues.

Since that time, Mr. Hinchman has not only been informed that your office would approve certified 2006-pay-2007 assessed valuations even though those values are "not great or even good assessment work", to use your words, but also informed that you would accept certified 2005-pay-2006 valuations. Your office has also confirmed on several occasions that any trending issues for that year can be addressed by PTABOA.

Generally, my understanding is that one function of your office is to provide guidance and technical support to local officials such as Mr. Hinchman to ensure fair and accurate assessment of real property taxes. With this in mind, it is not unreasonable or unlawful, in my estimation, for Mr. Hinchman to make an informed decision that attempts to correct rather than exacerbate the on-going assessment issues.

While I certainly understand your frustration with the situation in LaPorte County, Your continued attacks on Mr. Hinchman are misplaced and unwarranted. He did not create the issues that exist in LaPorte County, but he is trying to be part of the solution. Even a lay person would have to agree that Mr. Hinchman did indeed "inherit" a "mess", as you referenced in your correspondence. Nevertheless, Mr. Hinchman does indeed

BRAJE, NELSON & JANES, LLP
Attorneys at Law

Timothy J. Rushenberg, Commissioner
Department of Local Government Finance
July 16, 2009
Page -3-

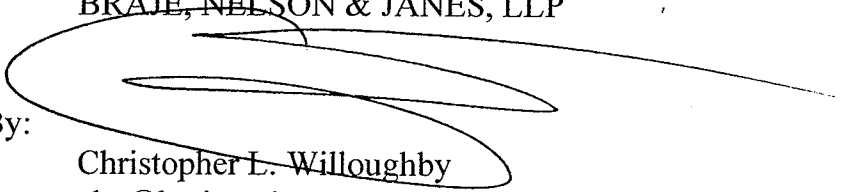
embrace the challenges of his office, and he continues to work diligently to perform his duties and communicate with your staff and/or you as well as other "stakeholders" in this community with the goal of helping to bring about a final resolution to LaPorte County's assessment issues.

With the above in mind, please be advised that Mr. Hinchman intends to move forward as previously communicated to your staff, your general counsel, you, and the local "stakeholders,". He along with his staff and other "stakeholders" welcome your expertise, assistance and/or guidance. Thank you for your time and consideration.

Respectfully,

BRAJE, NELSON & JANES, LLP

By:


Christopher L. Willoughby
clw@braje-nelson.com

CLW/slg

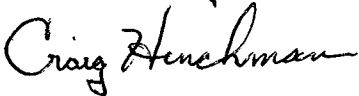
cc: C. Hinchman, LaPorte Co. Auditor via electronic trans.
B. Huston, LaPorte Co. Commissioners via electronic trans.
M. Bohacek, LaPorte Co. Commissioners via electronic trans.
K. Layton, LaPorte Co. Commissioners via electronic trans.
D. Hale, LaPorte Co. Info. Tech. Director via electronic trans.
B. Bailey, Dept. of Local Gov. Finance Gen. Counsel, via electronic trans.

August 14, 2009

The Honorable Tim Rushenberg
Commissioner Dept. Local Government Finance

Dear Commissioner Rushenberg

This email is to inform you that La Porte County is appealing the 1782 Notice sent to us. As the La Porte County Auditor, I certified \$4,721,089,040 in AV'S. The Department of Local Government Finance has changed those figures. This change will have a devastating effect upon all of our taxing units. Can you give us an IC Code or an Administrative Number that entitles you to change our certification? We're not trying to be difficult, but we feel it's our duty to look out for the tax payers of La Porte County. These are challenging times and we are all learning as we move forward.



Craig Hinchman
La Porte County Auditor
219.326.6808 ext. 2226
chinchman@laportecounty.org

RECEIVED FR 23

1782 Notice

4610000 LAPORTE COUNTY

AUG 06 2009

NOTICE OF FINAL BUDGET RECOMMENDATIONS PURSUANT TO IC 6-1.1-17-16(d)

This financial statement sets out by fund the final information proposed for your taxing unit. It includes proposed revenue levy and budget adjustments that resulted from the application of final assessed values as certified by the county auditor. *Craig Hinchman*
LAPORTE COUNTY AUDITOR

The cumulative fund rates are capped based on the adjustments as required in IC 6-1.1-18.5-9.8(c). Printouts indicating other changes to miscellaneous revenue rate cap calculations etc. are attached when applicable.

Indiana code 6-1.1-17-16(d) now reads:

(d) Except as provided in IC 6-1.1-19 or IC 6-1.1-18.5 the Department of Local Government Finance may not increase a political subdivision's tax rate or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The Department of Local Government Finance shall give the political subdivision written notification specifying any revision reduction or increase the Department of Local Government Finance proposes in a political subdivision's tax levy or tax rate. The political subdivision has two (2) weeks from the date the political subdivision receives the notice to provide a written response to the Department of Local Government Finance's Indianapolis office specifying how to make the required reductions in the amount budgeted for each office or department. The Department of Local Government Finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The Department of Local Government Finance may make a revision reduction or increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

It must be emphasized that units must respond within two calendar weeks (14 days) with requested changes as specified in IC 6-1.1-17-16(d). If you request adjustments a written response must be provided to the Indianapolis office of the Department of

Local Government Finance no later than **August 14, 2009**

No extensions will be granted. If no response is received these budgets rates and levies will be certified in the final budget order for your county.

Questions about this memorandum should be directed to the Budget Division of the Department of Local Government Finance at (317) 232-3773.

Check the
Appropriate box:

☐ No changes requested.

☒ Please make the following changes.

(Attach sheet with details)

I acknowledge receipt of this notice:

Craig Hinchman
Signature

Craig Hinchman
Printed

LaPorte County Auditor *8-14-2009*
Title Date

Unit Mailing Address:

555 Michigan Ave
Suite 205
LaPorte, IN 46350-3490

Telephone: *219-326-6808 ex 2226*

Fax: *219-326-5615*

Please mail responses to: Department of Local Government Finance, Budget Division, N1058 Indiana Government Center North, 100 N. Senate Ave., Indianapolis, IN 46204
Responses may be faxed to 317-232-8779

**1782 Notice Notes Report
Pay 2007**

FR23
08/01/2009
2:29PM

UNIT NUMBER 4610000

LAPORTE COUNTY

County 46

0101 GENERAL

Budget approved. \$34,206,728

Statutory levy limit. Rate reduced.

0123 2006 REASSESSMENT

Budget approved. \$690,237

Increased assessed valuation Rate reduced.

0702 HIGHWAY

Budget approved. \$4,332,849

0706 LR &S

Budget approved. \$915,755

0720 MAJOR MOVES - TOLLROAD COUNTIES

\$0

0790 CUM BRIDGE

DLGF approval not required \$3,348,958

A cumulative fund rate cannot be increased over previous year rate until the fund is re-established.

0792 CO. MAJOR BRIDG

Budget approved. \$200,000

A cumulative fund rate cannot be increased over previous year rate until the fund is re-established.

0801 HEALTH

Budget approved. \$1,365,045

Increased assessed valuation Rate reduced.

1186 JAIL BOND

Budget approved. \$1,453,093

Underestimate of misc revenue Rate reduced.

2120 CEMETERY

Budget has been reduced and approved for the displayed amt. \$35,862

Increased assessed valuation Rate reduced.

2244 REGIONAL PLAN

Budget approved. \$77,074

Reduction of operating balance Rate reduced.

2391 CCD

Budget approved. \$700,000

Cum Rate reduced according to calculation described in IC 6-1.1-18.5-9.8

1782 Notice Notes

A. 10/26/07 - Per our telephone discussion of today, your Cum Bridge and Major Bridge rates have been reduced to the amount allowable by statute without being re-established. Your General Fund levy was increased by the amount of decrease to Cum Bridge.

B. 08/01/09 - Your AV has changed due to revised values from the LaPorte County Auditor.

Fund Report Pay 2007

FR 23

4610000 LAPORTE COUNTY
WORK DRAFT

09/17/2009 12:58PM

FUND: 0101

AV:	\$5,568,843,690
1. Budget Estimate	34,206,728
2. Expenditures J1-D	17,214,260
3. Add App J1 - Dec	1,397,373
4A. Temporary Loans	469,351
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	53,287,712
6. Cash Balance 6/30	8,961,624
7. Dec Tax Collection	10,558,648
8A. Misc Rev Jan - Dec	7,250,310
8B. Misc Rev Total	10,013,374
9. TOTAL FUNDS	36,783,956
10. NET AMT REQ	16,503,756
11. Operating Balance	5,825,185
12. TOTAL (10+11)	22,328,941
13. PTRC	1,188,631
14. NET AMNT TO R	21,140,310
15. Levy Excess	585,708
16. TAX LEVY	20,554,602
TAX RATE	0.3691

FUND: 0123

AV:	\$5,568,843,690
	690,237
	492,731
	357,415
	10,323
	0
	1,550,706
	2,843,118
	219,971
	24,467
	34,066
	3,121,622
	(1,570,916)
	1,944,029
	373,113
	0
	0
	373,113
	0
	0
	373,113
	0
	0.0067

FUND: 0702

AV:	\$5,568,843,690
	4,332,849
	2,072,586
	296,515
	0
	0
	6,701,950
	524,014
	0
	2,605,407
	4,409,831
	7,539,252
	(837,302)
	837,302
	0
	0
	0
	0
	0
	0.0000

FUND: 0706

AV:	\$5,568,843,690
1. Budget Estimate	915,755
2. Expenditures J1-D	532,249
3. Add App J1 - Dec	0
4A. Temporary Loans	0
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	1,448,004
6. Cash Balance 6/30	358,001
7. Dec Tax Collection	0
8A. Misc Rev Jan - Dec	386,702
8B. Misc Rev Total	819,845
9. TOTAL FUNDS	1,564,548
10. NET AMT REQ	(116,544)
11. Operating Balance	116,544
12. TOTAL (10+11)	0
13. PTRC	0
14. NET AMNT TO R	0
15. Levy Excess	0
16. TAX LEVY	0
TAX RATE	0.0000

FUND: 0720

AV:	\$5,568,843,690
	0
	0
	0
	0
	0
	0
	0
	0
	25,667,168
	0
	25,667,168
	(25,667,168)
	25,667,168
	0
	0
	0
	0
	0
	0.0000

FUND: 0790

AV:	\$5,568,843,690
	3,348,958
	1,128,150
	220,550
	18,064
	0
	4,715,722
	5,412,246
	397,926
	79,261
	163,290
	6,052,723
	(1,337,001)
	2,333,824
	996,823
	0
	996,823
	0
	0
	996,823
	0.0179

Fund Report Pay 2007

FR 23

4610000 LAPORTE COUNTY
WORK DRAFT

09/17/2009 12:58PM

FUND: 0792

AV:	\$5,568,843,690
1. Budget Estimate	200,000
2. Expenditures J1-D	262,932
3. Add App J1 - Dec	0
4A. Temporary Loans	11,333
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	474,265
6. Cash Balance 6/30	3,859,643
7. Dec Tax Collection	249,631
8A. Misc Rev Jan - Dec	52,766
8B. Misc Rev Total	105,555
9. TOTAL FUNDS	4,267,595
10. NET AMT REQ	(3,793,330)
11. Operating Balance	4,389,196
12. TOTAL (10+11)	595,866
13. PTRC	0
14. NET AMNT TO R	595,866
15. Levy Excess	0
16. TAX LEVY	595,866
TAX RATE	0.0107

FUND: 0801

AV:	\$5,568,843,690
1. Budget Estimate	1,365,045
2. Expenditures J1-D	661,052
3. Add App J1 - Dec	30,500
4A. Temporary Loans	21,431
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	2,078,028
6. Cash Balance 6/30	606,413
7. Dec Tax Collection	422,642
8A. Misc Rev Jan - Dec	133,810
8B. Misc Rev Total	269,510
9. TOTAL FUNDS	1,432,375
10. NET AMT REQ	645,653
11. Operating Balance	401,290
12. TOTAL (10+11)	1,046,943
13. PTRC	0
14. NET AMNT TO R	1,046,943
15. Levy Excess	0
16. TAX LEVY	1,046,943
TAX RATE	0.0188

FUND: 1186

AV:	\$5,568,843,690
1. Budget Estimate	1,453,093
2. Expenditures J1-D	401,496
3. Add App J1 - Dec	0
4A. Temporary Loans	32,427
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	1,887,016
6. Cash Balance 6/30	697,458
7. Dec Tax Collection	669,802
8A. Misc Rev Jan - Dec	74,502
8B. Misc Rev Total	128,929
9. TOTAL FUNDS	1,570,691
10. NET AMT REQ	316,325
11. Operating Balance	1,092,592
12. TOTAL (10+11)	1,408,917
13. PTRC	0
14. NET AMNT TO R	1,408,917
15. Levy Excess	0
16. TAX LEVY	1,408,917
TAX RATE	0.0253

FUND: 2120

AV:	\$5,568,843,690
1. Budget Estimate	35,862
2. Expenditures J1-D	21,005
3. Add App J1 - Dec	0
4A. Temporary Loans	561
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	57,428
6. Cash Balance 6/30	17,990
7. Dec Tax Collection	17,301
8A. Misc Rev Jan - Dec	1,924
8B. Misc Rev Total	3,145
9. TOTAL FUNDS	40,360
10. NET AMT REQ	17,068
11. Operating Balance	16,345
12. TOTAL (10+11)	33,413
13. PTRC	0
14. NET AMNT TO R	33,413
15. Levy Excess	0
16. TAX LEVY	33,413
TAX RATE	0.0006

FUND: 2244

AV:	\$5,568,843,690
1. Budget Estimate	77,074
2. Expenditures J1-D	38,537
3. Add App J1 - Dec	0
4A. Temporary Loans	1,796
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	117,407
6. Cash Balance 6/30	216,453
7. Dec Tax Collection	24,716
8A. Misc Rev Jan - Dec	2,749
8B. Misc Rev Total	2,620
9. TOTAL FUNDS	246,538
10. NET AMT REQ	(129,131)
11. Operating Balance	156,975
12. TOTAL (10+11)	27,844
13. PTRC	0
14. NET AMNT TO R	27,844
15. Levy Excess	0
16. TAX LEVY	27,844
TAX RATE	0.0005

FUND: 2391

AV:	\$5,568,843,690
1. Budget Estimate	700,000
2. Expenditures J1-D	701,272
3. Add App J1 - Dec	427,874
4A. Temporary Loans	20,422
4B. Loans Not Pd 12/31	0
5. TOTAL EST EXP	1,849,568
6. Cash Balance 6/30	2,975,683
7. Dec Tax Collection	449,830
8A. Misc Rev Jan - Dec	50,035
8B. Misc Rev Total	82,808
9. TOTAL FUNDS	3,558,356
10. NET AMT REQ	(1,708,788)
11. Operating Balance	2,622,078
12. TOTAL (10+11)	913,290
13. PTRC	0
14. NET AMNT TO R	913,290
15. Levy Excess	0
16. TAX LEVY	913,290
TAX RATE	0.0164

Fund Report Pay 2007

FR 23

4610000 LAPORTE COUNTY
WORK DRAFT

09/17/2009 12:58PM

FUND	ASSESSED VALUE	RATE	LEVY	CNTRL
0101 GENERAL	5,568,843,690	0.3691	20,554,602	UT
0123 2006 REASSESSMENT	5,568,843,690	0.0067	373,113	UT
0702 HIGHWAY	5,568,843,690	0.0000	0	UT
0706 LR &S	5,568,843,690	0.0000	0	UT
0720 MAJOR MOVES - TOLLROAD CO	5,568,843,690	0.0000	0	0
0790 CUM BRIDGE	5,568,843,690	0.0179	996,823	UT
0792 CO. MAJOR BRIDG	5,568,843,690	0.0107	595,866	0
0801 HEALTH	5,568,843,690	0.0188	1,046,943	UT
1186 JAIL BOND	5,568,843,690	0.0253	1,408,917	0
2120 CEMETERY	5,568,843,690	0.0006	33,413	UT
2244 REGIONAL PLAN	5,568,843,690	0.0005	27,844	UT
2391 CCD	5,568,843,690	0.0164	913,290	UT
	TOTAL	0.4660	25,950,811	

UNIT

Normal Max Levy: 23,131,846

Minus Levy Excess: 585,708

Plus Fin Inst Tax: 17,196

Plus Misc Changes: 1,387,791

Working Max Levy: 23,951,125

CTL UT Working MAX 23,951,125 Under Max by 5,097

**DLGF BUDGET PROGRAM ESTIMATES OF
MISCELLANEOUS REVENUES FOR YEAR
ENDING 2007 ESTIMATED AMOUNTS TO
BE RECEIVED**

FR 23

10/26/2007
12:53PM

4610000 LAPORTE COUNTY

0101 GENERAL

	Column A July 1, 2006 - Dec 31, 2006	Column B Jan 1, 2007 - Dec 31, 2007
0201 F.I.T	40,931	79,798
0202 Auto/Aircraft Excise Tax	1,042,478	1,613,313
0203 Certified Shares	2,097,759	2,297,944
0204 CAGIT PTRC	1,105,123	0
0217 CVET	91,019	186,319
1120 4-D Program	190,000	380,000
1122 Care of Federal Prisoners	80,000	160,000
1415 Assessments	0	0
1501 Liquor Excise Tax Dist.	4,000	8,000
1510 Inheritance Tax	100,000	200,000
1701 Riverboat (Rev. Sharing)	0	0
2101 Plan Commission Charges	150,000	300,000
2106 Co. Treasured-Demand Fees	500	4,000
2108 County Recorder	150,000	300,000
2109 County Sheriff	35,000	70,000
2111 County Auditor	500	1,000
2200 Public Service and Courts	30,000	60,000
2210 Prosecuting Attorney	10,000	20,000
2501 Dog Pound Fees	7,000	14,000
2504 Emergency Med. Serv.	850,000	1,700,000
2508 County Home-Care of Res.	125,000	250,000
2710 County Reimb. for Serv.	0	0
2711 Reimbursements	25,000	50,000
2717 Copy Machine Charges	3,000	6,000
4103 Clerk of Circuit Court	200,000	400,000
6100 Interest on Investments	700,000	1,500,000
6200 Rental of Property	13,000	13,000
6500 Non-Identified Revenue	200,000	400,000

Fund Total	7,250,310	10,013,374
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0123 2006 REASSESSMENT

0201 F.I.T	853	1,446
0202 Auto/Aircraft Excise Tax	21,718	29,243
0217 CVET	1,896	3,377

Fund Total	24,467	34,066
-------------------	---------------	---------------

0702 HIGHWAY

1416 MVH/County HWY Dist	1,766,912	3,561,836
1522 Major Moves - Everyone	828,995	828,995
3200 Permits	7,500	15,000
6100 Interest on Investments	2,000	4,000

Fund Total	2,605,407	4,409,831
-------------------	------------------	------------------

0706 LR & S

1417 LR&S Dist	384,702	815,845
6100 Interest on Investments	2,000	4,000

Fund Total	386,702	819,845
-------------------	----------------	----------------

4610000 LAPORTE COUNTY**0720 MAJOR MOVES - TOLLRO/**

1523 Major Moves - Special

Column AJuly 1, 2006 -
Dec 31, 2006**Column B**Jan 1, 2007 -
Dec 31, 2007

25,667,168

0

Fund Total

25,667,168

0

0790 CUM BRIDGE

0201 F.I.T

1,543

3,961

0202 Auto/Aircraft Excise Tax

39,288

80,081

0217 CVET

3,430

9,248

6100 Interest on Investments

35,000

70,000

Fund Total

79,261

163,290

0792 CO. MAJOR BRIDG

0201 F.I.T

968

2,359

0202 Auto/Aircraft Excise Tax

24,646

47,689

0217 CVET

2,152

5,507

6100 Interest on Investments

25,000

50,000

Fund Total

52,766

105,555

0801 HEALTH

0201 F.I.T

1,639

4,072

0202 Auto/Aircraft Excise Tax

41,728

82,330

0217 CVET

3,643

9,508

2503 Health Inspection Fees

50,000

100,000

2505 County Health Department

35,000

70,000

2510 Health Services

1,800

3,600

Fund Total

133,810

269,510

1186 JAIL BOND

0201 F.I.T

2,597

5,474

0202 Auto/Aircraft Excise Tax

66,131

110,673

0217 CVET

5,774

12,782

Fund Total

74,502

128,929

2120 CEMETERY

0201 F.I.T

67

134

0202 Auto/Aircraft Excise Tax

1,708

2,699

0217 CVET

149

312

Fund Total

1,924

3,145

2244 REGIONAL PLAN

0201 F.I.T

96

111

0202 Auto/Aircraft Excise Tax

2,440

2,249

0217 CVET

213

260

Fund Total

2,749

2,620

2391 CCD

0201 F.I.T

1,745

3,516

0202 Auto/Aircraft Excise Tax

44,412

71,083

0217 CVET

3,878

8,209

Fund Total

50,035

82,808

**Miscellaneous Changes and
Approved Levy Increase
Pay 2007**

Unit Number: 4610000

LAPORTE COUNTY

Civil

1. MENTAL HEALTH IN COMM BUDGET	\$475,904	
Maximum Allowed Adjustment outside Max Levy	\$474,501	
TOTAL adjustment to Max Levy for Mental Health		\$474,501 ✓
2. MENTAL RETARDATION	\$0	
Maximum Allowed Adjustment outside Max Levy	\$1,614,965	
TOTAL adjustment to Max Levy for Mental Retardation		\$0
3. CUM FUND OUTSIDE LEVY LIMIT		\$913,290 ✓
2006 PAY 2007 AV	\$5,568,843,690 ✓	
2007 Total Cum Rate	0.0450 ✓	
2007 C.C.D. Rate Qual	0.0164 ✓	
1984 Cum Levies	\$483,465 ✓	
4. SUPP JURORS FEES		\$0
5. LGTCB/DLGF Approved Levy Increase		\$0
TOTAL MISCELLANEOUS CHANGES		\$1,387,791

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
2007 RATE CAP CALCULATIONS
TO BE USED UNTIL NEXT REASSESSMENT**

23

**UNIT: LAPORTE COUNTY
UNIT NUMBER: 4610000
CUM BRIDGE**

8/1/2009

2:20PM

STEP 1: THE MAXIMUM RATE FOR FUND 0790 IS 0.0544 ✓

STEP 2: % INCREASE - 1

2006 Pay 2007	5,568,843,690	
2005 Pay 2006	4,819,788,790	= 0.1554

STEP 3: STEP 4: % INCREASE TO NEAREST .01%

2003 PAY 2004 AV	4,630,707,367	
2002 PAY 2003 AV	4,731,142,338	= -0.0212
2004 PAY 2005 AV	4,708,276,661	
2003 PAY 2004 AV	4,630,707,367	= 0.0168
2005 PAY 2006 AV	4,819,788,790	
2004 PAY 2005 AV	4,708,276,661	= 0.0237

STEP 5: SUM OF % INCREASES IN STEP 4: 0.0193 DIVIDED BY 3 = 0.0064 ✓

STEP 6: GREATER OF ZERO (0) OR:
STEP 2: 0.1554 MINUS STEP 5: 0.0064 = 0.1490
GREATER = 0.1490

STEP 7: **FUND RATE CAP**
STEP 1: 0.0544 DIVIDED BY (1 + STEP 6 = 1.1490) = 0.0473 ✓

Adjustment for Inventory Deduction

Certified Net AV :	5,568,843,690 ✓
Inventory Deducted AV :	215,609,960 ✓
Levy Lost :	101,984
Rate needed to make up lost levy:	0.0018

ADJUSTED FUND RATE CAP: 0.0491 ✓

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
2007 RATE CAP CALCULATIONS
TO BE USED UNTIL NEXT REASSESSMENT

23

UNIT: LAPORTE COUNTY
UNIT NUMBER: 4610000
CO. MAJOR BRIDG

8/1/2009

2:20PM

STEP 1: THE MAXIMUM RATE FOR FUND 0792 IS 0.0181 ✓

STEP 2: % INCREASE - 1

2006 Pay 2007	5,568,843,690	
2005 Pay 2006	4,819,788,790	= 0.1554

STEP 3: STEP 4: % INCREASE TO NEAREST .01%

2003 PAY 2004 AV	4,630,707,367	
2002 PAY 2003 AV	4,731,142,338	= -0.0212
2004 PAY 2005 AV	4,708,276,661	
2003 PAY 2004 AV	4,630,707,367	= 0.0168
2005 PAY 2006 AV	4,819,788,790	
2004 PAY 2005 AV	4,708,276,661	= 0.0237

STEP 5: SUM OF % INCREASES IN STEP 4: 0.0193 DIVIDED BY 3 = 0.0064

STEP 6: GREATER OF ZERO (0) OR:
STEP 2: 0.1554 MINUS STEP 5: 0.0064 = 0.1490
GREATER = 0.1490

STEP 7: FUND RATE CAP
STEP 1: 0.0181 DIVIDED BY (1 + STEP 6 = 1.1490) = 0.0158 ✓

Adjustment for Inventory Deduction

Certified Net AV :	5,568,843,690
Inventory Deducted AV :	215,609,960
Levy Lost :	34,066
Rate needed to make up lost levy:	0.0006

ADJUSTED FUND RATE CAP: 0.0164 ✓

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
2007 RATE CAP CALCULATIONS
TO BE USED UNTIL NEXT REASSESSMENT

23

UNIT: LAPORTE COUNTY
UNIT NUMBER: 4610000
CCD

8/1/2009

2:20PM

STEP 1: THE MAXIMUM RATE FOR FUND 2391 IS 0.0181 ✓

STEP 2: % INCREASE - 1

2006 Pay 2007	5,568,843,690	
2005 Pay 2006	4,819,788,790	= 0.1554

STEP 3: STEP 4: % INCREASE TO NEAREST .01%

2003 PAY 2004 AV	4,630,707,367	
2002 PAY 2003 AV	4,731,142,338	= -0.0212
2004 PAY 2005 AV	4,708,276,661	
2003 PAY 2004 AV	4,630,707,367	= 0.0168
2005 PAY 2006 AV	4,819,788,790	
2004 PAY 2005 AV	4,708,276,661	= 0.0237

STEP 5: SUM OF % INCREASES IN STEP 4: 0.0193 DIVIDED BY 3 = 0.0064

STEP 6: GREATER OF ZERO (0) OR:
STEP 2: 0.1554 MINUS STEP 5: 0.0064 = 0.1490
GREATER = 0.1490

STEP 7: FUND RATE CAP
STEP 1: 0.0181 DIVIDED BY (1 + STEP 6 = 1.1490) = 0.0158 ✓

Adjustment for Inventory Deduction

Certified Net AV :	5,568,843,690
Inventory Deducted AV :	215,609,960
Levy Lost :	34,066
Rate needed to make up lost levy:	0.0006

ADJUSTED FUND RATE CAP: 0.0164 ✓

2007 CIVIL Max Levy Report

County Number 46

4610000 LAPORTE COUNTY

FACTORED ADJUSTED TAX LEVY	25,714,731
2006 Pay 2007 Assessed Value	5,568,843,690
<hr/>	
2006 Pay 2007 AV using pay 2006 Geographic Area	
Annexation Factor =	1.0000
MAXIMUM FACTOR DUE TO ANNEXATION	
LESSER OF ABOVE TWO FACTORS:	1.0000
MULTIPLY FACTORED ADJUSTED TAX LEVY BY ANNEX FACTOR	25,714,731
SERVICES PROVIDED IN PRIOR YEAR	0
FACTORED ADJUSTED TAX LEVY INCREASED FOR SERVICES	25,714,731
GREATER OF FACTORED LEVY OR INCREASED LEVY	25,714,731
Subtract amount Determined Pursuant to PL 78-1987:	1,394,254
Subtract 2007 PTRC (if any)	1,188,631
MAXIMUM LEVY LIMIT SUBTOTAL	23,131,846
LGTCB REC./S.T.B. APPROVED LEVY INCREASE	0
ADJUSTED MAXIMUM LEVY	23,131,846
ADJUSTMENT TO CORRECT ERROR AND/OR SHORTFALL	0
ADJ. MAX LEVY DUE TO ERROR CORRECTION AND/OR SHORTFALL	23,131,846 ✓

2007 Debt Service Worksheet

LAPORTE COUNTY

4610000

Fund: 1186

Name of Issue	Line 2	Amount	Line 1	Amount	Line 11
	Due		Due		Due
Gob of 2000 (18,265,000) Jail	07/15		2007		01/15
STB Order #: 00 - 106		397,996		1,449,243	1,091,597
New Debt? Y		Outstanding Balance: 0			
Gob of 2000 Trustee Fee (Jail)	07/15		2007		01/15
STB Order #: 00 - 106		0		350	350
New Debt? Y		Outstanding Balance: 0			
Prep of continuing disclosure info	07/15		2007		
STB Order #: NA		3,500		3,500	0
New Debt? Y		Outstanding Balance: 0			
Totals		401,496		1,453,093	1,091,947

TOTAL ADDITIONAL APPROPRIATIONS 0
TOTAL NEW DEBT CIVIL 1,453,093

=====

1,453,093

WORKSHEET PREPARED BY OTI

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

August 20, 2009

The Honorable Craig Hinchman
LaPorte County Auditor
813 Lincolnway Street, Ste 203
LaPorte, IN 46350

Dear Auditor Hinchman:

The Department of Local Government Finance ("Department") has reviewed your request of August 14 to override the values used to certify budgets, rates, and levies for cross county units Michigan City School Corporation, John Glenn School Corporation, and New Prairie United School Corporation in 2007. You had requested that the Department instead use the values certified on July 24, 2009 for all LaPorte County taxing districts for the 2006-pay-2007 tax year. This request is respectfully denied.

The budgets, tax rates, and tax levies of these cross-county units have been final since the 2007 budget orders for those counties were issued two years ago under IC 6-1.1-17-11. The Department is the review and approval authority of a political subdivision's budget, tax rate, and tax levy under Indiana law according to IC 6-1.1-17-16.

We have reviewed your request with the auditors of Porter, St. Joseph, and Marshall Counties, as well as the Office of the Auditor of State, and they unanimously support the Department decision. To properly uphold the Department's mission of fair and equitable taxation for Indiana taxpayers, granting your request would require the Department to recalculate tax rates in Porter, St. Joseph and Marshall counties in those cross county units for the 2006 pay 2007 cycle. This action would place undue hardship upon these counties, which have already billed, collected, and settled for pay 2007, as well as the Office of the Auditor of the State, which would be involved because of issues with settlement. Additionally, the issue would unnecessarily confuse taxpayers in those counties, as they are all in the process of billing for 2008 pay 2009.

It is simply untenable to request these counties to re-bill and collect from their taxpayers two years later.

In summary, the Department is proceeding with certifying budgets, rates, and levies for LaPorte County as previously indicated on the 1782 notices of August 4, 2009 in accordance with our authority under IC 6-1.1-17-16. The Department will not make any further adjustments to the certified net assessed values.

Sincerely,

Timothy J. Rushenberger
Commissioner

EXHIBIT F

From: Volz, Jeff
Sent: Tuesday, August 25, 2009 4:54 PM
To: Hinchman, Craig; McDaniel, Carol L; Anderson, Judy; Hawkins, Nancy; Hale, Darlene; klayton@laportecounty.org; Parrett, Lisa; Ray, Mary
Cc: Bailey, Brian; Rushenberg, Tim; Large, Karen; Lessaris, Linda; Cope, Janie
Subject: Follow-up from this afternoon's conference call

To recap our conversation from earlier this afternoon, the Department understands that LaPorte County is now reconsidering the use of 2006-pay-2007 post-retrending assessed values and a recertification of the net assessed values for the 2006-pay-2007 tax year.

As you know, the Department has already worked budgets and issued 1782 notices for the values certified by Auditor Hinchman on July 24, 2009. If LaPorte County decides to use 2006-pay-2007 post-retrending assessed values, the Department will have to rework the budgets and issue new 1782 notices. This will delay a 2007 budget order by at least three weeks from the date that new certified assessed values are received, unless all the units of government within LaPorte County were willing to waive the statutory 10-day 1782 notice period.

If LaPorte County intends to recertify the net assessed values for 2006-pay-2007 (using 2006-pay-2007 post-retrending assessed values), Auditor Hinchman must notify the Department accordingly in writing (e-mail is sufficient) not later than **3:00 p.m. Central Daylight Time on Thursday, August 27, 2009**. The Department requires the notification be only the notice of the intent of the county to re-certify; formal re-certification may come later.

If the Department receives no such notice by that deadline, it will move forward with the scheduled hearing on Monday, August 31, 2009, for the budget based on the previously-certified net assessed values (2005-pay-2006 for non-cross county districts, and 2006-pay-2007 pre-retrending for cross-county districts). A certified final budget order for LaPorte County 2006-pay-2007 will be issued as soon as possible after the conclusion of that hearing.

Please keep us informed of your progress. Thank you.

Best regards,

Jeff Volz, MCTS
Director of Operations
Indiana Department of Local Government Finance
100 N. Senate, N-1058B
Indianapolis, IN 46204
jvolz@dlgf.in.gov
Phone: 317-232-3759
Fax: 317-232-8779
www.in.gov/dlgf

Taxpayer First. Local Control. Excellence.

From: Bailey, Brian
Sent: Thursday, August 27, 2009 1:00 PM
To: 'Christopher Willoughby'
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

Chris,

Yes, if those values are used, a unit (not including a school corporation) may file a shortfall appeal. To reiterate what Linda and I stated this morning, if granted, the appeal would affect the 2010 budget and levy.

Brian Bailey
General Counsel
Indiana Department of Local Government Finance
100 North Senate, N-1058B
Indianapolis, Indiana 46204
bbailey@dlgf.in.gov
(317) 234-5720 (Direct)
(317) 607-9965 (Mobile)
(317) 232-8779 (Fax)

Taxpayer First. Local Control. Excellence.

From: Christopher Willoughby [<mailto:clw@braje-nelson.com>]
Sent: Thursday, August 27, 2009 9:58 AM
To: Bailey, Brian
Subject: Short Fall Appeal MCAS
Importance: High

Mr. Bailey:

I am sending this email to confirm that, pursuant to our telephone conference this morning (along with Ms. Lessaris), short fall appeals may be filed if the 2005 (pay 2006) values remain the values that LaPorte County intends to use as long as the anticipated shortfall is included in the appealing unit's budget notice publication and the contemplated appeal is filed before December 31, 2009. If my understanding of the conversation is incorrect, please clarify any inconsistency. As always, thank you for your time and consideration.

Braje, Nelson & Janes, LLP

By: Christopher L. Willoughby
126 E. 5th Street
P.O. Box 1006
Michigan City, Indiana 46361-8206
Ph.: (219) 872-2100
Fax: (219) 873-9163
e-mail: clw@braje-nelson.com

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From: Bailey, Brian
Sent: Thursday, August 27, 2009 2:02 PM
To: 'chinchman@laportecounty.org'
Cc: 'Christopher Willoughby'; Lessaris, Linda
Subject: Re: certified values

Dear Auditor Hinchman,

The Department received your notification that you are not recertifying values for the 2006p2007 tax-billing cycle. We are aware of your concern that your decision to bill on 05p06 values, rather than the 06p07 post-reassessment values, will result in shortfalls.

Please see my communication with Mr. Willoughby below your e-mail. It confirms what we communicated with him by telephone this morning.

A shortfall appeal would need to be advertised and adopted in the unit's 2010 budget ad this year. The appeal would need to be filed in our office prior to December 31, 2009. The appeal, if granted, would affect the 2010 budget and levy (regardless of the year that it is actually collected) – not the 2007 budget and levy. To reiterate, any shortfall for 2007 will not be made up in the pay 2007 budget year.

Brian Bailey
General Counsel
Indiana Department of Local Government Finance
100 North Senate, N-1058B
Indianapolis, Indiana 46204
bbailey@dlgf.in.gov
(317) 234-5720 (Direct)
(317) 607-9965 (Mobile)
(317) 232-8779 (Fax)

Taxpayer First. Local Control. Excellence.

From: Hinchman, Craig
To: Rushenberg, Tim; Volz, Jeff
Sent: Thu Aug 27 12:46:39 2009
Subject: certified values

August 27, 2009

The Honorable Tim Rushenberg
Commissioner Dept. Local Government Finance

Dear Commissioner Rushenberg:

This e-mail is to inform you of my decision to stay with the values I certified for the year 2005 pay 2006 on July 24, 2009. After reviewing these numbers and running the 2006-2007 post re-trending assessed values, I feel it is best for the taxpayers of La Porte County that I use the number I certified. There maybe a shortfall, but per the DLGF, appeals may be filed if the 2005 (pay 2006) values remain and the units appeal this (shortfall) prior to December 31, 2009.

We appreciate that you are trying to work with La Porte County. BOTH of our goals are to get La Porte County back on track, and ultimately doing what is best for the taxpayers.

Best regards.

Craig Hinchman
La Porte County Auditor
219.326.6808 ext. 2226
chinchman@laportecounty.org

From: Bailey, Brian
Sent: Thursday, August 27, 2009 1:00 PM
To: Christopher Willoughby
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

Chris,

Yes, if those values are used, a unit (not including a school corporation) may file a shortfall appeal. To reiterate what Linda and I stated this morning, if granted, the appeal would affect the 2010 budget and levy.

Brian Bailey
General Counsel
Indiana Department of Local Government Finance
100 North Senate, N-1058B
Indianapolis, Indiana 46204
bbailey@dlgf.in.gov
(317) 234-5720 (Direct)
(317) 607-9965 (Mobile)
(317) 232-8779 (Fax)

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From: Christopher Willoughby [mailto:clw@braje-nelson.com]
Sent: Thursday, August 27, 2009 9:58 AM
To: Bailey, Brian
Subject: Short Fall Appeal MCAS
Importance: High

Mr. Bailey:

I am sending this email to confirm that, pursuant to our telephone conference this morning (along with Ms. Lessaris), short fall appeals may be filed if the 2005 (pay 2006) values remain the values that LaPorte County intends to use as long as the anticipated shortfall is included in the appealing unit's budget notice publication and the contemplated appeal is filed before December 31, 2009. If my understanding of the conversation is incorrect, please clarify any inconsistency. As always, thank you for your time and consideration.

Braje, Nelson & Janes, LLP

By: Christopher L. Willoughby

126 E. 5th Street
P.O. Box 1006
Michigan City, Indiana 46361-8206
Ph.: (219) 872-2100
Fax: (219) 873-9163
e-mail: clw@braje-nelson.com

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From: Bailey, Brian
Sent: Thursday, August 27, 2009 3:00 PM
To: 'Christopher Willoughby'; 'chinchman@laportecounty.org'
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

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From: Christopher Willoughby [mailto:clw@braje-nelson.com]
Sent: Thursday, August 27, 2009 2:28 PM
To: Bailey, Brian
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS
Importance: High

The school is what I was specifically asking. So I am clear, then a school cannot? If not, why not? I just want to make sure as I heard differently this morning.

Thanks.

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From: Bailey, Brian [<mailto:BBailey@dlgf.IN.gov>]
Sent: Thursday, August 27, 2009 12:00 PM
To: Christopher Willoughby
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

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Yes, if those values are used, a unit (not including a school corporation) may file a shortfall appeal. To reiterate what Linda and I stated this morning, if granted, the appeal would affect the 2010 budget and levy.

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From: Bailey, Brian
Sent: Thursday, August 27, 2009 3:55 PM
To: 'Christopher Willoughby'; 'chinchman@laportecounty.org'
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

Chris,

If your question was specifically regarding school corporations, you didn't express it to us. I checked with Linda Lessaris. Neither of us heard it, and if we had, we would have told you school corporations no longer have authority to bring shortfall appeals. I've left you two phone messages regarding the issue of shortfall appeals this afternoon. I presume from your e-mail below that you do not wish to discuss this issue further with us. That's fine. We'll further presume that, regarding shortfall appeals, Auditor Hinchman fully understands the legal and factual consequences of his actions.

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Sent: Thursday, August 27, 2009 3:39 PM
To: Bailey, Brian; chinchman@laportecounty.org
Cc: Lessaris, Linda
Subject: RE: Short Fall Appeal MCAS

Brian:

Thanks for the clarification. I did hear differently this morning as my question was specifically regarding schools.

Braje, Nelson & Janes, LLP

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From: Christopher Willoughby [clw@braje-nelson.com]
Sent: Thursday, August 27, 2009 4:06 PM
To: Bailey, Brian
Cc: chinchman@laportecounty.org; Lessaris, Linda
Subject: Re: Short Fall Appeal MCAS

We can agree that something wasn't clear this morning and can further agree about what your Dept.'s position is based on your emails.

As for your messages, you should presume nothing other than I was unavailable by phone. That is why I responded via email. However, I will make sure Mr. Hinchman is fully informed and will hope that positions remain consistent.

Thank you.

Sent from my iPhone

On Aug 27, 2009, at 2:51 PM, "Bailey, Brian" <BBailey@dlgf.IN.gov> wrote:

> --_000_2A8B40870FFD4B4FBACC6241BB284F2205B93419IOTEVSP03VWshar_
> Content-Type: text/plain; charset="Windows-1252"
> Content-Transfer-Encoding: quoted-printable
>
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> We'll further presume that, regarding shortfall appeals, Auditor
> Hinchman fully understands the legal and factual consequences of his
> actions.
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> Brian Bailey
> General Counsel
> Indiana Department of Local Government Finance 100 North Senate,
> N-1058B Indianapolis, Indiana 46204
> bbailey@dlgf.in.gov<<mailto:bbailey@dlgf.in.gov>>
> (317) 234-5720 (Direct)
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> Sent: Thursday, August 27, 2009 3:39 PM
> To: Bailey, Brian; chinchman@laportecounty.org
> Cc: Lessaris, Linda

> Subject: RE: Short Fall Appeal MCAS

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> my question was specifically regarding schools.

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>

> Braje, Nelson & Janes, LLP

>

> By: Christopher L. Willoughby

> 126 E. 5th Street

> P.O. Box 1006

> Michigan City, Indiana 46361-8206

> Ph.: (219) 872-2100

Lessaris, Linda

From: Rushenberg, Tim
Sent: Thursday, August 27, 2009 12:48 PM
To: Michalak, Mary Jane; Stanley, Amanda; Large, Karen; Lessaris, Linda; Jones, Dan (DLGF)
Subject: Fw: certified values

From: Hinchman, Craig
To: Rushenberg, Tim; Volz, Jeff
Sent: Thu Aug 27 12:46:39 2009
Subject: certified values

August 27, 2009

The Honorable Tim Rushenberg
Commissioner Dept. Local Government Finance

Dear Commissioner Rushenberg:

This e-mail is to inform you of my decision to stay with the values I certified for the year 2005 pay 2006 on July 24, 2009. After reviewing these numbers and running the 2006-2007 post re-trending assessed values, I feel it is best for the taxpayers of La Porte County that I use the number I certified. There maybe a shortfall, but per the DLGF, appeals may be filed if the 2005 (pay 2006) values remain and the units appeal this (shortfall) prior to December 31, 2009.

We appreciate that you are trying to work with La Porte County. BOTH of our goals are to get La Porte County back on track, and ultimately doing what is best for the taxpayers.

Best regards.

Craig Hinchman
La Porte County Auditor
219.326.6808 ext. 2226
chinchman@laportecounty.org

8/27/2009

EXHIBIT I

From: JKopp@porterco.org [mailto:JKopp@porterco.org]
Sent: Monday, August 17, 2009 11:22
To: Volz, Jeff
Cc: Rushenberg, Tim
Subject: Re: Letter regarding LaPorte County 2006-pay-2007 certified net assessed values

We have settled 06 pay 07 and will be billing the three cross county districts for 07 pay 08 about August 19, 2009. The billing work has started and bills should be printed Wednesday. The balance of our 29 districts were billed and collected months ago for 07 pay 08.

We will start on 08 pay 09 yet this week if everything falls in place.

I would respectfully request we make an adjustment in 08 pay 09 rather than go back and try to reduce 06 pay 07 and 07 pay 08.

James K. Kopp
Porter County Auditor
155 Indiana Ave Suite 204
Valparaiso, IN 46383
219-465-3350 Office
219-465-3806 Fax

-----"Volz, Jeff" <JVolz@dlgf.IN.gov> wrote: -----

To: <jkopp@porterco.org>
From: "Volz, Jeff" <JVolz@dlgf.IN.gov>
Date: 08/14/2009 07:32PM
cc: "Rushenberg, Tim" <trushenberg@dlgf.in.gov>
Subject: Letter regarding LaPorte County 2006-pay-2007 certified net assessed values

Auditor Kopp, attached please find a letter from Commissioner Rushenberg regarding an issue involving the certification process for LaPorte County's 2006-pay-2007 budget order. As this issue concerns Porter County, specifically districts in the Michigan City School Corporation, please review and let Commissioner Rushenberg or I know if any questions or concerns. I'll call you on Monday to follow up on this. Thank you—

Best regards,

Jeff Volz, MCTS
Director of Operations
Indiana Department of Local Government Finance
100 N. Senate, N-1058B
Indianapolis, IN 46204
jvolz@dlgf.in.gov
Phone: 317-232-3759
Fax: 317-232-8779

www.in.gov/dlgf

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-----Original Message-----

From: Peter Mullen [mailto:PMullen@co.st-joseph.in.us]

Sent: Monday, August 17, 2009 15:12

To: Volz, Jeff

Cc: Rushenberg, Tim

Subject: Re: Letter regarding LaPorte County 2006-Pay-2007 certifiednet assessed values

Jeff:

I am in receipt of Commissioner Rushenberg's letter regarding LaPorte County.

In answer to your question, yes, we have already billed, collected, and closed the books on 2006 pay 2007. Without questioning the rational for this, to re-certify St Joseph County's budget order for 2006 pay 2007 would be an immense problem. To my knowledge there has been no outcry from LaPorte taxpayers to do this. In fact, the frustration level on not having any tax billing for such a long would just resurface again. At this point, it would be problematic to open this up again and rebill those districts covered by the John Glenn School Corporation and the New Prairie United School Corporation.

Your inclination to deny is proper.

Sincerely,

Peter H. Mullen

Auditor

St Joseph County

From: Penny Lukenbill [mailto:PennyL@co.marshall.in.us]
Sent: Monday, August 17, 2009 17:22
To: Volz, Jeff
Cc: Rushenberg, Tim
Subject: LaPorte County's request

Jeff

I did want to get this to you today – I received your voice mail and know you're probably going in as many directions as I am.

I would urge the Commissioner to deny LaPorte County's request to use the 05 pay 06 values for Polk Township due to the unfair burden it would place on Marshall County. It has been 2 ½ yrs since we collected, settled and "closed the books" on the 2006 payable 2007 taxes, and we have moved on through two more billing cycles. Rebilling would be costly in both time and money - it would cost approximately \$8500 to re-bill Polk Township, and our discretionary funds are nearly non-existent. Also, please keep in mind that collection and settlement affects not just the school, but all entities included in the tax bill – county, solid waste, township, and state. I'm also concerned about possible effects on the school's bond issue, on which payments were made 2½ yrs ago. If less monies are generated in the re-billing for bond payments, would this have an effect on their bond rating?

As I understand it, the LaPorte County Auditor has 06 pay 07 values, but doesn't want to use them. I don't believe it is the Auditor's job to approve the Assessor's values – this compromises the integrity of the system of checks and balances. In addition, the 05 pay 06 values are still not actual for 06 pay 07 – so, these AVs are really no better than another guess. When they get actual values, will we have to re-bill again to reflect 06 pay 07 actual values? Will we then have to go back and re-bill the intervening years each time they certify actual AV's and rates are re-calculated for the John Glenn Schools?

I believe if you grant LaPorte County's request, you will open a door that every cross-county unit in the state will step (or be pushed) through, resulting in a domino-effect of re-billing that will never end. A couple of years ago, the DLGF established a policy based on statute - the late county has to use their last abstract values to prevent just such a scenario. We had the same possible scenario this year with Culver and Union Township. When Starke County certified their AVs, we had 2 days to certify Culver & Union. We were not able to do so in such a short period of time, so we had to use what the DLGF certified. The actual values varied about \$10,000,000 in Union and about \$950,000 in Culver, but we proceeded even though it meant an artificially low tax rate. It will eventually work itself out in the process. Last spring, Mike Deniston suggested a solution to alleviate the problem, and it's based on the proportion of the levy that the AV's for each unit represents. It might be worth taking another look to see if anything could be salvaged going forward.

I do believe this entire situation calls for leadership of the highest caliber. Looking to the DLGF's motto – "taxpayer first" – I feel we would not be putting taxpayers first, especially in light of the additional expense and resulting confusion that would undermine taxpayer confidence in the process – for a doubtful gain.

I will be glad to put this in the form of a formal request to the Commissioner, but I wanted to get this off to you as quickly as possible.

Penny Lukenbill
Marshall County Auditor

-----Original Message-----

From: Dan Bastin [mailto:dbastin@auditor.in.gov]
Sent: Monday, August 17, 2009 08:16
To: Volz, Jeff; Cope, Janie
Cc: Rushenberg, Tim; Tim Berry
Subject: RE: LaPorte County

My opinion is rebilling in the neighboring counties is not an option.

Dan Bastin
Settlement Director
Auditor of State's Office
Phone: 317-232-3309
Fax: 317-232-6097
Email: dbastin@auditor.in.gov

-----Original Message-----

From: Volz, Jeff [mailto:JVolz@dlgf.IN.gov]
Sent: Saturday, August 15, 2009 11:22 PM
To: Dan Bastin; Jane Cope
Cc: Rushenberg, Tim
Subject: LaPorte County

Dan, Janie - we have an interesting situation brewing with LaPorte pay 07 budget. As you may know, the county auditor certified the 05p06 net av's that Teresa Shuter certified to us originally, with an additional 2% held back to account for appeals. We agreed to take these just to get the process moving in LaPorte because they are almost hopelessly behind.

The rub is that for 22 of the taxing districts (mostly Michigan City), we had to use the pre-reassessment 06p07 net av's as these were what were previously used to certify complete budget orders in the cross-counties: Porter, Marshall, and St. Joseph.

The LaPorte auditor is contesting this and is standing firm on his request that we use the 05p06 across the board for LaPorte County. The problem this creates is that if we were to honor his request, it would create inequity, especially for Michigan City Schools, affecting Porter County. Since Porter was originally certified with the 06p07 net avs, which are significantly higher, their rate is lower than what LaPorte would be if 05p06 values are used.

The only way to honor our statutory duty of ensuring taxes are fair and equitable, if we were to honor the LaPorte request, would be to require the cross-counties to recertify and rebill for 06p07. This would certainly require additional amounts to be collected as this change would drive the rates higher in the cross-counties.

We believe this request is untenable, and just to gather additional voices against this idea, we have sent notice to the auditors of Porter, Marshall, and St. Joseph counties advising of

the LaPorte request and soliciting their written response. I'll forward to you both the letter sent to Jim Kopp yesterday so you can see what we sent out.

Question to both of you - what do you think about this? If this is something that needs to go to Auditor Berry for his awareness and actions, please feel free to pass along as well as my contact info if he needs further details.

Thanks-

-Jeff

From: Parrett, Lisa [mailto:Lparrett@LaPorteCounty.org]

Sent: Friday, July 24, 2009 10:46

To: Volz, Jeff; Michalak, Mary Jane

Cc: Hinchman, Craig; Hale, Darlene; Ray, Mary

Subject: av's

Jeff I am sending the certified Av's for LaPorte County as instructed by the Auditor Craig Hinchman also I'm inclosing the proposed tax rates that we had previously advertised for the 06 pay 07 tax year. We will also be printing and signing these and we will put them in the mail. We would like to thank you for all of your help.

Lisa Parrett-Hock

2nd Deputy

lparrett@laportecounty.org

From: Stephen E. Scheele [ses@gk4law.com]
Sent: Tuesday, July 28, 2009 9:15 AM
To: Bailey, Brian
Cc: Rushenberg, Tim
Subject: 7/22-7/24 e-mails

Importance: High

FYI: An interesting colloquy, below. This was shared with me by an anonymous source.

--ses

From: Christopher Willoughby [mailto:clw@braje-nelson.com]
Sent: Friday, July 24, 2009 10:17 AM
To: Hinchman, Craig
Cc: Huston, Barbara; Bohacek, Mike; Layton, Ken; Craig Braje
Subject: RE: Status
Importance: High

Craig:

As previously communicated, I do have concerns with the repeated changes in position regarding what values will be certified. However, I realize you are trying to make an informed decision based on all of the input and information you have received from the various, interested players, including, first and foremost, the DLGF. Ultimately, I agree with you when you say that the DLGF has not been consistent in its positions or responses regarding the certification issues, which I believe has led to a lot of the confusion and/or difficulties on your end. Nonetheless, and as previously advised, the whole process begins with an affirmative decision from you, and you alone, regarding what values are going to be certified.

I want to reiterate that my opinion is that you could certify the 2006 (2007) in good faith because there is a position that you are merely certifying that you have carried out your statutory duties in terms of applying deductions, credits, and/or adjustments to values submitted to you by the Assessor's office, not certifying the accuracy. However, there is also a position that you would be knowingly certifying net assessed values as correct that you know or believe to be incorrect based on your determination that there are numerous errors contained in the values submitted to you. Both positions are plausible and worthy of consideration.

As you know, there will be challenges and/or fallout regardless of the decision you make, but you cannot let the anticipated challenges and/or fallout prevent you from making a decision as soon as possible. As County attorneys, we cannot make decisions that are statutorily required of your office. Our responsibilities are to advise you of the law, which we have done, and defend your actions and address any challenges and fallout that occur as a result of your decisions.

Given that you have determined that you cannot and will not certify the 2006 (2007) values, I offer the following opinion(s) in response to your most recent inquiry regarding what values you can certify. You can certify 2005 (2006) values, which has been previously approved by the DLGF in surrounding counties. You also have the ability to certify the 2005 (2006) values using a 2% deduction/factor. Again, as stated before, any such options are not "the answer" but at least one of them is "an answer" that will allow the County to move forward with the budget process and get things back on track. Additionally, my understanding is that the DLGF is prepared to accept whatever you certify at this point.

So, once again, it is incumbent upon you to make a decision. Regardless of your decision, this office will continue to advise you as well as address any anticipated challenges and/or fallout.

In the event you have any questions or comments, please do not hesitate to contact me.

Braje, Nelson & Janes, LLP

By: Christopher L. Willoughby

126 E. 5th Street
P.O. Box 1006
Michigan City, Indiana 46361-8206
Ph.: (219) 872-2100
Fax: (219) 873-9163
e-mail: clw@braje-nelson.com

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From: Hinchman, Craig [mailto:CHinchman@LaPorteCounty.org]
Sent: Thursday, July 23, 2009 12:01 PM
To: Christopher Willoughby
Cc: Huston, Barbara; Bohacek, Mike; Layton, Ken; Craig Braje
Subject: RE: Status

Mr. Willoughby

We have been getting calls from Deb Adams, the President of the In. Assoc. of Auditor's, and she is getting calls from the DLGF. If it's ok with you we will certify the 2005 payable 2006 net adjusted values today with a 2% factor that Deb Adams said the dlgf would approve. As far as the Blue Chip Nipsco and Lighthouse the appeals haven't even been heard so I feel that going with the lower figure would probably would be the best way to go. Also the board of review meet yesterday and their recommendations was to go with 06 pay 07.
Craig

From: Christopher Willoughby [mailto:clw@braje-nelson.com]
Sent: Wednesday, July 22, 2009 4:26 PM
To: Hinchman, Craig
Cc: Huston, Barbara; Bohacek, Mike; Layton, Ken; Craig Braje
Subject: Status
Importance: High

Mr. Hinchman:

Please advise me of the status of your decision regarding submitting a certification for approval.

Additionally, it is imperative that you keep this office informed regarding your actions. Thank you.

Braje, Nelson & Janes, LLP

By: Christopher L. Willoughby

126 E. 5th Street
P.O. Box 1006
Michigan City, Indiana 46361-8206
Ph.: (219) 872-2100
Fax: (219) 873-9163
e-mail: clw@braje-nelson.com

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